

Big business...getting bigger.

In 1984, Governor Michael S. Dukakis launched a major new campaign to market Massachusetts as a tourism destination in domestic and foreign markets. With the slogan, "The Spirit of Massachusetts is the Spirit of America," and a multi-million dollar annual budget, a new state tourism marketing team began an annual, four-season campaign in collaboration with the state's tourism businesses and regional tourist promotion agencies. ■ The results have been impressive. Between 1984 and 1988, tourism spending in Massachusetts increased 37 percent, from \$5.7 billion to \$7.8 billion, and the resulting economic impact on the state's economy rose from \$10.1 billion to \$13.8 billion. Tourist-related tax receipts are now close to \$1 billion annually. More than 10,000 tourism-related businesses in the state pay employee wages of more than \$1.7 billion. ■ By the year 2000, travel and tourism will become the single largest segment of the world economy. The related growth of travel and tourism in Massachusetts will make it an increasingly significant sector of the state economy – creating jobs, supporting new businesses and services, and generating critically important tax revenues.

"Every dollar this state spends on tourism promotion brings back many more dollars in tourism-related sales and in tax revenues. By any standard, tourism in Massachusetts is a financial success."

Governor Michael S. Dukakis

Massachusetts:

An ideal

tourist destination.

Massachusetts offers its visitors the nation's richest concentration of historic, recreational, scenic, and cultural attractions in a very compact and accessible area. Throughout the state, museums, historic houses, and landmarks attest to Massachusetts' proud and continuing role in America's history. Within a three-hour drive, visitors can experience sophisticated shopping, dining, and nightlife in Boston; miles of sandy shores from Cape Cod to Cape Ann; the "getaway" islands of Nantucket and Martha's Vineyard; and rolling countryside dotted with quaint villages, antique shops, artists' galleries, and cozy country inns from Plymouth to the Berkshires.

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The gateway

choice for

prosperous

visitors.

In 1988, 28.9 million travelers visited the state – 5 visitors for each of its residents and 1 million more visitors than in 1987. They came from throughout the United States and around the world. Their spending increased by a half billion dollars over the previous year. ■ Visitors to Massachusetts are more affluent, better educated, and hold more professional and managerial jobs than the U.S. tourist population.

A higher-than-average number stay in hotels. They spend more money on their visits than the average U.S. tourist. Visitors to the state from within the United States spend almost 7 percent per trip more than the average U.S. pleasure traveler. International visitors to the Commonwealth spend significantly more per trip than domestic travelers – \$651 per visit compared to \$250.

Massachusetts' success in the highly competitive travel marketplace has been due, in large part, to its ability to capitalize on two major, national travel trends: the growth in short, getaway trips by domestic travelers and the increase in the number of international travelers visiting the United States. ■ The state is an

ideal getaway destination as it offers a wide range of attractions and activities and is close to major population centers in the Northeast. Four out of every five visitors to Massachusetts are now on getaway trips. In addition, a growing share of Massachusetts' visitors come from other countries due to the close proximity of Eastern Canada, Boston's position as a major getaway to the United States from Europe, and increasing interest in visiting the Commonwealth by Japanese tourists.

Visitors come from around the world.

		Share (%)
Domestic	27,446,000	95.1%
Massachusetts	4,406,000	15.3%
Other New England	6,883,000	23.8%
Mid-Atlantic	8,237,000	28.5%
Other U.S.	7,920,000	27.5%
International	1,402,950	4.8%
Overseas	897,510	3.1%
Canada	505,440	1.8%
Total	28,848,950	100%

(1988 estimated)

Massachusetts visitors: well educated, well employed, and well-off.

	Domestic Visitors to Massachusetts	Visitors to All U.S. Destinations
Married	63%	58%
Have Children	36%	38%
Two Wage Earners	50%	39%
Age		
18-34	40%	42%
35-54	42%	36%
55 and over	18%	22%
Final degree		
College	61%	30%
Graduate Program	24%	10%
White Collar Job	72%	50%
Income of \$40,000 or more	51%	32%

(1987 actual)

Massachusetts visitors prefer getaway vacations.

	Domestic Visitors to Massachusetts	Visitors to All U.S. Destinations
Weekend Trip	53%	47%
Average Number of Nights	3.1	5.2
Main Activity		
Visit Friends or Family	32%	37%
Entertainment	30%	21%
Business	29%	17%
Other	9%	10%
Traveling with Children	32%	34%
Transportation		
Automobile	77%	76%
Airplane	20%	20%
Paid Accommodations	53%	44%
Dollars Spent Per Trip	\$246	\$229

(1987 actual)

Every tourist dollar

spent in Massachusetts

nearly doubles

in economic impact.

The 28.9 million domestic and international visitors who came to Massachusetts in 1988 spent \$7.8 billion. But this does not describe the full impact of travel and tourism on the Massachusetts economy. As the chart opposite illustrates, tourism spending creates a dynamic cycle of secondary spending across the state for everything from hotel laundry services to local farms and food suppliers. Economists call this the "multiplier effect." A surprising number of business people benefit from the tourism industry – from the gas station attendant to the local pharmacist.

■ Due to the multiplier effect, *every dollar spent by a tourist nearly doubles in value to the Commonwealth*, creating a total economic impact of \$13.8 billion in 1988.

\$13,800,000,000

The economics of Massachusetts tourism.

Economic Impact of Travel and Tourism

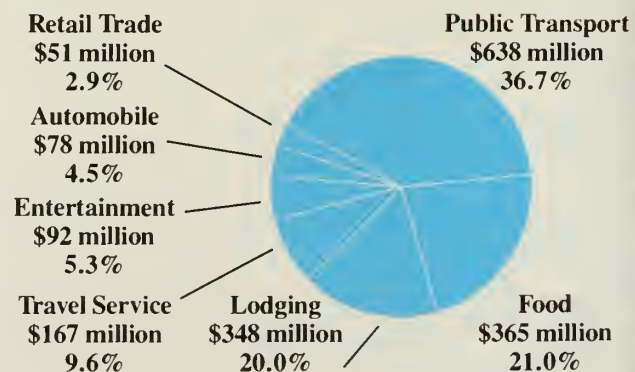
Total Economic Impact	\$13.8 billion**
Travelers' Spending	\$ 7.8 billion
Domestic	\$ 6.9 billion
International	\$ 0.9 billion
Taxes	\$960 million
State and Local	\$395 million
Federal	\$565 million
Payroll	\$ 1.7 billion
Employment	120,500

(1988 estimate)

**The multiplier is 1.77

MASSACHUSETTS TOURISM

Wages Created by Tourism



	Wages	Share %
Total	\$1,739 billion	100.0%

(1988 estimate)

How a tourism dollar doubles.



All 14 counties in the state benefit from the tourist economy through direct spending, wages, and taxes returned to the local governments.

Local Impact of Tourism—domestic visitors

	Spending	Jobs	Wages	State Tax	Local Tax
Statewide	\$6.518 billion	99,253	\$1.436 billion	\$256.9 million	\$73.2 million
Greater Boston	\$4.452 billion	68,156	\$1.049 billion	\$169.2 million	\$54.2 million
Southeast	\$1.012 billion	14,320	\$ 183 million	\$ 38.8 million	\$ 9.6 million
West	\$ 699 million	11,077	\$ 137 million	\$ 31.5 million	\$ 5.7 million
Northeast	\$ 356 million	5,700	\$ 67 million	\$ 17.4 million	\$ 3.7 million

(1987 actual)

Greater Boston comprises Suffolk, Norfolk, and Middlesex Counties. Southeast comprises Bristol, Plymouth, Barnstable, Dukes, and Nantucket Counties. West comprises Worcester, Franklin, Hampshire, Hampden and Berkshire Counties. Northeast is Essex County.

Massachusetts Tourism:

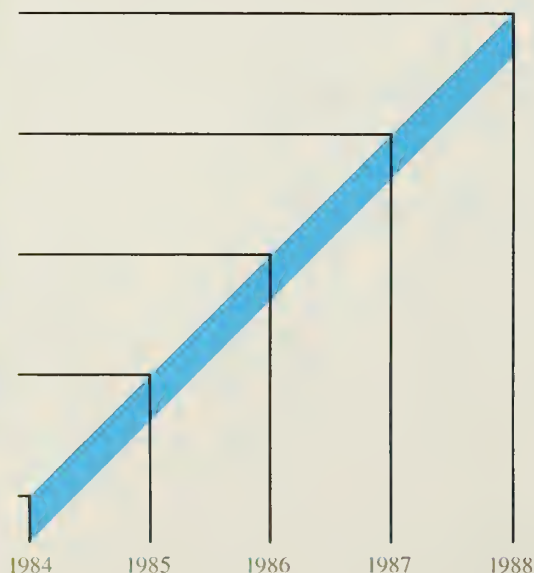
a growth industry.

Travel has become one of the world's strongest growth industries. Travel will continue to grow – regionally, nationally, and internationally – through the year 2000. The reasons include globalization of the world's econ-

omy; sustained growth in the U.S., European, and Asian economies; high rates of worldwide employment; rising world standards of living; lessening of international tensions; and a world population of older, more affluent, better educated, mobile individuals who consider travel a way of life. ■ In Massachusetts, the number of visitors and tourism spending will continue to increase. During the past five years, the Massachusetts Office of Travel and Tourism's promotion of Massachusetts as a tourist destination has resulted in growth of visitor spending which has consistently outpaced the national average. Each year since 1984, almost a billion dollars in new tourism-related economic activity has been generated. ■ The future growth rate of Massachusetts' tourism revenues will depend on its marketing efforts in a very competitive environment and its ability to generate additional promotional funds from public and private partners.

A billion dollars, each year since 1984, has been added to the Massachusetts economy by the tourism industry.

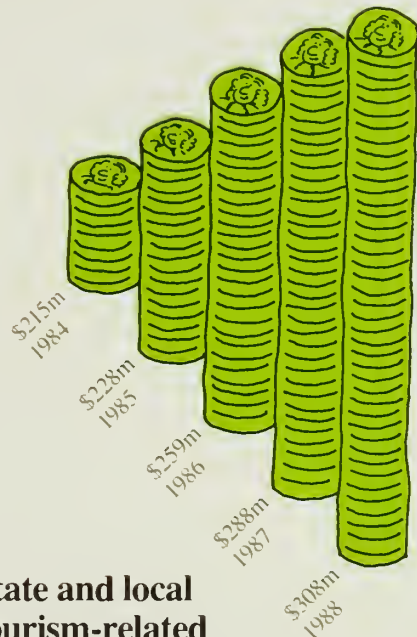
\$13.8b
\$12.9b
\$11.9b
\$10.9b
\$10b



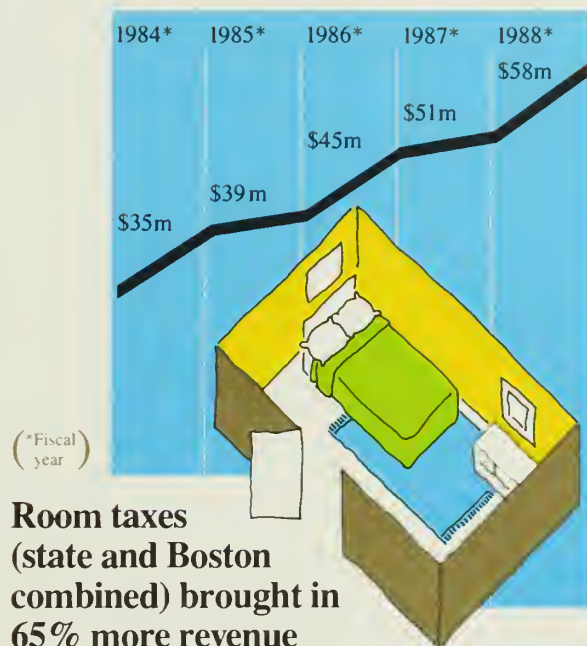
The number of foreign visitors to Massachusetts increased 112% between 1984 and 1988 versus an increase of 31% for U.S. visitors. Foreign visitors spend up to five times as much per trip as domestic visitors.



Tourists pay food, fuel, sales, state and local room taxes. Tourism employees pay income taxes. Tourism-related businesses pay corporate and real estate taxes. These revenues are critically important to the Commonwealth and its local governments.



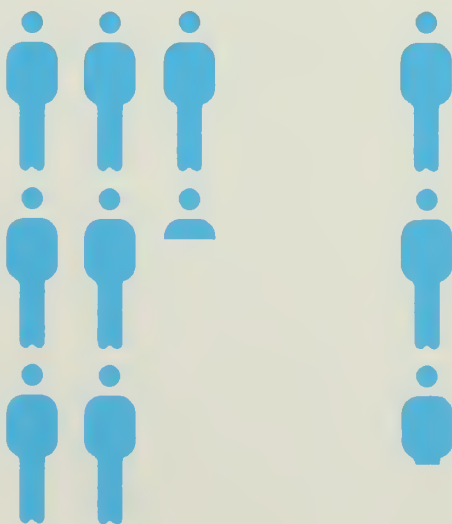
State and local tourism-related taxes increased 43% from 1984 to 1988.



Room taxes (state and Boston combined) brought in 65% more revenue in 1988 than 1984.

Jobs

Growth of Massachusetts' tourism-related employment is outpacing growth in overall state employment.

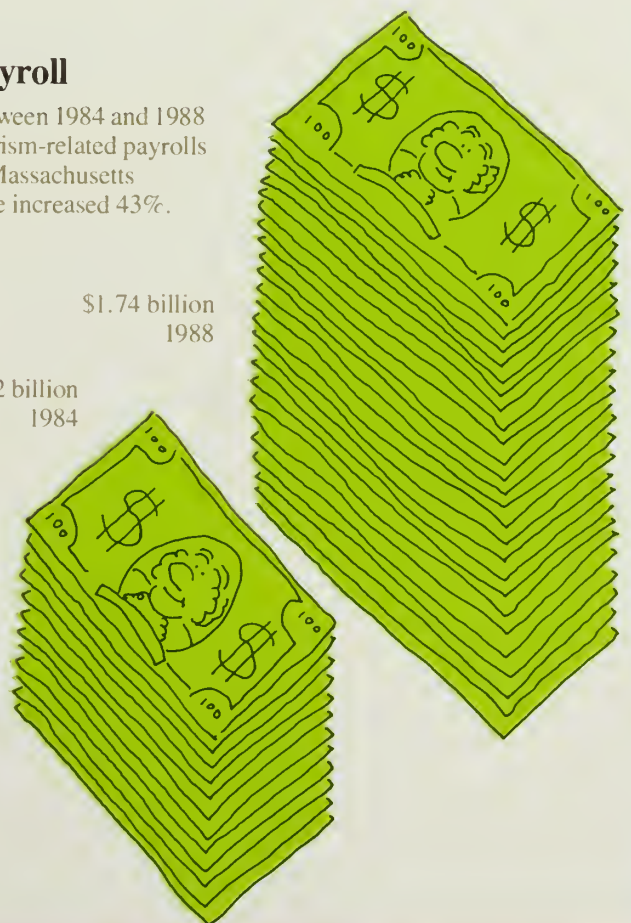


Tourism Job Growth up 7.3% vs. State Job Growth up 2 1/2% (1986 to 1987)

Payroll

Between 1984 and 1988 tourism-related payrolls in Massachusetts have increased 43%.

\$1.2 billion 1984
\$1.74 billion 1988



The Massachusetts Office

of Travel and Tourism:

a profit center.

The Massachusetts Office of Travel and Tourism, an agency within the Executive Office of Economic Affairs, was established to increase tourism-related sales, employment, and tax revenues for the Commonwealth. ■ In the five years since The "Spirit of Massachusetts" campaign began, the Office has

managed \$47 million in advertising and promotional programs. These programs, in turn, helped to generate \$33.7 billion in travel sales for the Commonwealth and over \$1 billion in state and local tax receipts. The Office is unique among state agencies as an income generator that brings new revenues into the state from out-of-state sources.

Return on Investment.

The overall return in tax revenues generated by the efforts of Massachusetts Travel and Tourism has been estimated at between \$7 and \$10 for every dollar spent. In 1988, a study was undertaken to identify just the impact of the direct response campaign which generated 420,000 requests for information. The campaign cost \$3 million. An estimated 57% of inquirers visited the state.

420,000 • x	Responsees
0 • 57 =	Percent who visited
239,400 • x	Visitor parties
2 • 5 =	Times average size of visiting party
598,500 • x	Total visitors
3 • 1 =	Times average length of stay
1,855,350 • x	Visitor days
120 • =	Times average expenditure per day
222,642,000 • x	Spending generated by campaign
1 • 77 =	Times economic impact factor
394,076,340 • x	Total economic impact
0 • 052 =	Times state and local tax portion
20,491,970 • *	Total state and local taxes generated
2,840,000 • *	Media expenditure
7 : 1 *	Return on investment

N.B.: Calculations based on a one-time visit; typical traveler visits Massachusetts 2.5 times per year.

Through a series of highly-targeted, domestic and international marketing programs, the Office works to increase visitors and visitor spending.

MARKETING.

The Office's advertising and public relations programs are aimed at lucrative and expanding segments of the tourism market.

Domestic: The Office carries out a comprehensive marketing campaign targeted at consumers and travel agents. The campaign uses direct-response television, radio and print ads; direct mail; magazine inserts;

newspaper supplements; travel shows; familiarization trips; and cooperative promotions.

International: The Office promotes travel to Massachusetts in foreign countries including Canada, Great Britain, and Japan. It works with public and private partners, including the other New England states, the Massachusetts

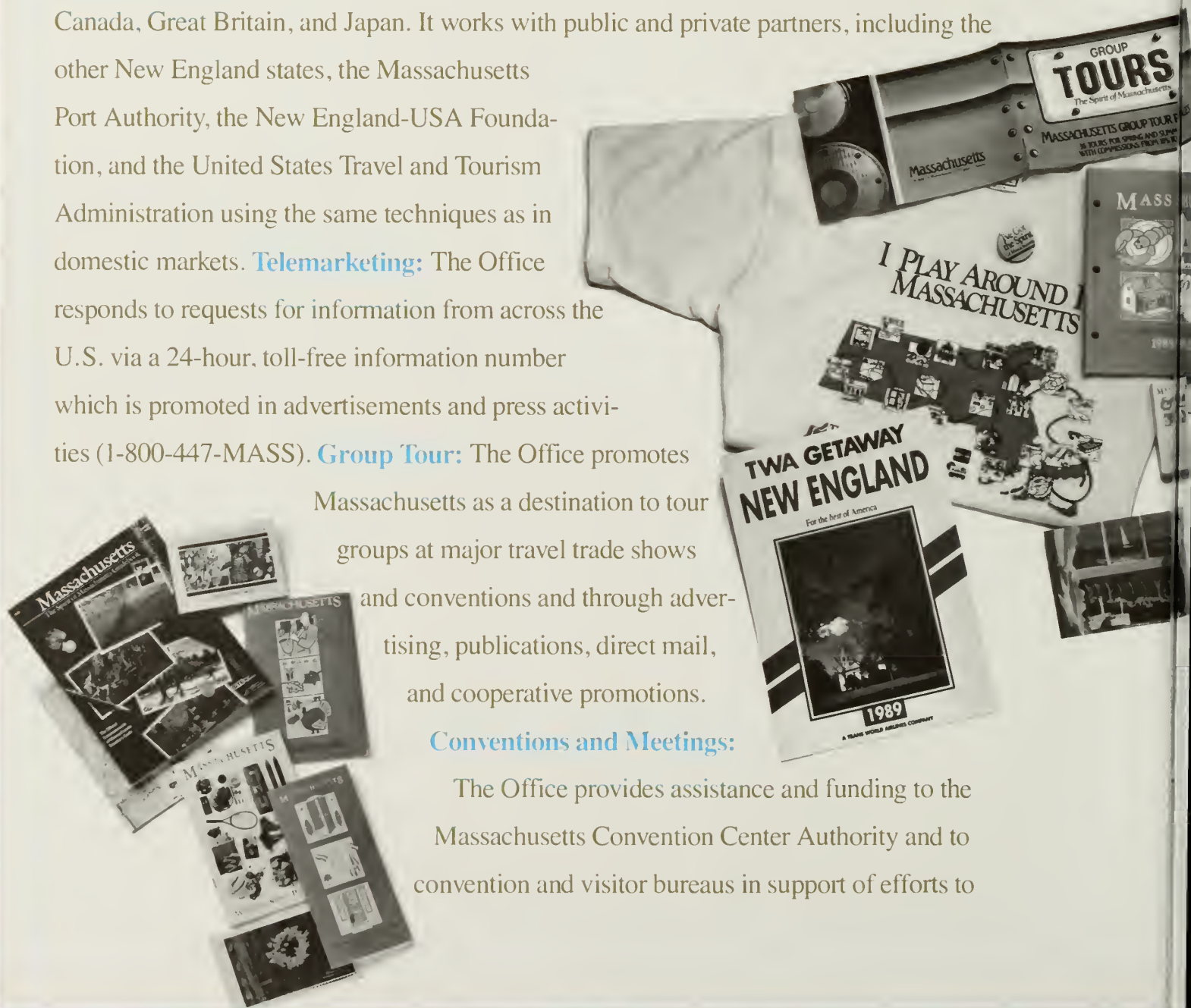
Port Authority, the New England-USA Foundation, and the United States Travel and Tourism

Administration using the same techniques as in domestic markets. **Telemarketing:** The Office responds to requests for information from across the U.S. via a 24-hour, toll-free information number which is promoted in advertisements and press activities (1-800-447-MASS).

Group Tour: The Office promotes Massachusetts as a destination to tour groups at major travel trade shows and conventions and through advertising, publications, direct mail, and cooperative promotions.

Conventions and Meetings:

The Office provides assistance and funding to the Massachusetts Convention Center Authority and to convention and visitor bureaus in support of efforts to



The Massachusetts Office of Travel and Tourism publishes a comprehensive season guide to the state and a series of specialized travel publications.

The Office conducts and commissions research programs to track the economic impact of tourism on the state's economy, to monitor travel trends, to evaluate visitor reactions, and to gauge the effectiveness of its programs. These studies are used to refine marketing activities and maximize their effectiveness.

Six year-round information centers,
located on major state highways,
offer travelers information about
attractions, events, lodging and meals.

Massachusetts' statewide tourism marketing activities are coordinated with the state's 13 independent, regional tourism promotion agencies. The Office distributes \$2.2 million in matching grants to support local marketing programs.



Attracting visitors to any destination is a fiercely competitive business. Countries, states, and cities, aware of the economic benefits of tourism, have developed well-funded and sophisticated marketing programs to compete for travel dollars.

Many states outspend Massachusetts for tourism promotion. New York, Illinois, Texas, and Hawaii each spend more than \$15 million annually. Massachusetts currently ranks *11th* in tourism spending and *13th* in tourism advertising.

In order to maintain – let alone increase – the Massachusetts share of the burgeoning tourism market, the Massachusetts Office of Travel and Tourism will need to become even more aggressive in the promotion of the Commonwealth as a tourist destination. Cooperative ventures in both the public and private sectors will need to be strengthened and expanded. Creative promotions that set Massachusetts apart from other destinations will need to be fashioned.

With professional, targeted, aggressive marketing, Massachusetts' tourism industry will continue to generate jobs, wages, and revenues for the Commonwealth, for local governments, and for its citizens.

Michael S. Dukakis, Governor

Grady B. Hedgespeth, Secretary of Economic Affairs

Richard P. Rust, Director, Massachusetts Office of Travel and Tourism

Deborah S. First, Deputy Director, Massachusetts Office of Travel and Tourism

Massachusetts

The spirit of Massachusetts is the spirit of America.

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Unless otherwise noted, all data were prepared by the Massachusetts Office of Travel & Tourism in cooperation with the U.S. Travel Data Center and the U.S. Travel and Tourism Administration. A complete copy of the latest economic impact study, "Travel & Tourism in Massachusetts: Economic Impact, Visitor Demographics, 1987-1988" is available upon request.